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DIRECTORATE OF
INTELLIGENCE

Intelligence Memorandum

*Peking and Taipei: Recognition, Diplomatic Relations,
and the "One China" Impasse*

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INTELLIGENCE MEMORANDUM

Peking and Taipei: Recognition, Diplomatic Relations,
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Summary

Recent Canadian and Italian efforts to establish diplomatic relations with Communist China have again focused attention on competition between Peking and Taipei for international recognition. Sino-Canadian negotiations are currently under way in Stockholm, and Italian officials have had a number of contacts with Chinese Communist officials in Paris. Belgium, Luxembourg, and, to a lesser extent, Austria and West Germany have also demonstrated interest in following the Canadian and Italian lead.

Peking, confident that time is on its side, has seen little reason to modify its unbending "all or nothing" approach to the recognition problem. There is no evidence that President Chiang Kai-shek is prepared to retreat from his government's claim to be the only legitimate government of China--the key to the legitimacy of Kuomintang control of Taiwan. Taipei has attempted to fortify its international position and to discourage Canada, Italy, and other nations from establishing relations with Peking through closer contacts with the USSR and pressures on the US and Japan to maintain their present policies bearing on the recognition issue. The Nationalists can be expected to persist in this "one China" posture and to follow their traditional policy of withdrawing from any capital that establishes formal diplomatic relations with Peking.

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The Basic Positions

1. Chinese Communist Premier Chou En-lai once told a foreign ambassador in Peking that he and Chiang Kai-shek agreed on only one point--that Taiwan has always been and will always remain an integral part of China. Chou's remark underscores the identical claim of the two rival Chinese regimes to sovereign authority over an indivisible Chinese polity and their similar public approaches to the questions of foreign recognition and diplomatic relations.

2. Aside from the very real emotional and historical factors behind this traditional Chinese commitment to "one China," there are basic considerations of real politik. As a major world power with one quarter of the world's population, Communist China believes that time is on its side and that sooner or later all nations will have to recognize Peking's existence and its jurisdiction over the Chinese province of Taiwan. To this end, Peking's policy has hinged on the so-called "three constant principles": states wishing to have diplomatic relations with Communist China must, (1) recognize the People's Republic as the sole government of China, (2) recognize Taiwan as part of China and sever all ties with Taipei, and (3) support the restoration of Peking's "rightful place" in all international bodies and abandon support for Taiwan's participation. Peking has consistently maintained its right to China's seat on the UN Security Council and in the General Assembly, and has demanded that Nationalist China be expelled. Peking, however, has demonstrated little immediate concern over UN membership, relying instead on a long-term approach designed gradually to isolate Taipei within the UN as more and more nations establish relations with Peking. In the past, the Communists have made additional demands, including an apology from the UN for "past errors" (e.g., the Korean War Resolution) and a reorganization of the world body. These demands, however, have not been emphasized in recent years and will probably be dropped should the UN eventually agree to accept Peking's basic conditions.

-2-

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3. The Republic of China's claim to be the government of all China represents the *raison d'etre* of the Kuomintang's monopoly of political power in Taiwan. As a result, Taipei publicly rejects all diplomatic formulas that imply a "two Chinas" solution and continues to reiterate in a pro forma manner its determination to "return to the mainland." In diplomatic relations, the Nationalists' basic policy has been to withdraw from any foreign capital that establishes formal diplomatic relations with Peking. By confronting governments considering establishing relations with Peking with a clear-cut choice between Peking and Taipei, the Nationalists have achieved considerable success in discouraging accommodations with the Chinese Communists.

4. This tactic has not always worked, however. In 1964, Communist China scored a major success by negotiating diplomatic relations with France. At that time, Peking, confident that Taiwan would not retreat from its adamant position, refrained from insisting on a direct and public French recognition of Peking's sovereignty over Taiwan. Nevertheless, the De Gaulle government's public statements and private communications, while stopping short of an unequivocal declaration, clearly were designed to force the Nationalists to withdraw their mission and break diplomatic relations with France. After two weeks of political and propaganda pressure from Peking as well as Paris, Chiang Kai-shek ended the diplomatic impasse by withdrawing the Nationalist embassy staff and severing ties with Paris. Although for a brief period, the French maintained relations with both Chinese states, this episode deepened the commitments of both Taipei and Peking to the principle of "one China."

Taipei's Increasing Tactical Flexibility

5. In the aftermath of the French experience, Taipei has exhibited more flexibility and imagination in protecting its international position. Immediately following its diplomatic setback in France, Taiwan instituted an aggressive and systematic campaign to broaden its base of foreign support. The

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principal vehicle for this campaign has been Operation Vanguard, a program of economic and technical assistance directed almost entirely toward Africa. During a period when Peking's influence in Africa is generally declining, Taipei has been able to project an image of a modern constructive government with more to offer than rhetoric about recovering the mainland. The result has been an impressive increase in African diplomatic support and a noticeable improvement in Taipei's position in the UN--a barometer of the Nationalists' world prestige.

6. Taiwan has also displayed growing willingness to establish contacts with governments recognizing Peking. This marked departure from past practice probably comes from a desire to exploit Peking's inept handling of its foreign affairs during the Cultural Revolution. In Africa, Taipei has shown remarkable flexibility, to the point of offering aid programs to states that maintain relations with Communist China. Dutch officials who recently visited Taiwan reported a "low-keyed" inquiry by Nationalist officials over the possibility of establishing diplomatic relations. Most dramatic of all has been the recent warming of relations between Taipei and Moscow.

The Soviet-Nationalist Flirtation

7. The trend toward a less hostile relationship between the Chinese Nationalists and the Russians, which began as early as 1967, has been marked by two developments. First, Taiwan has abandoned its long-standing propaganda line that pictured Moscow and Peking as the common Communist enemy. The slogan "Oppose Communism, Resist Russia" has been replaced by calls for a common front of anti-Mao forces. After the clashes on the Ussuri River last March, Taipei, instead of attacking the Soviets for violating China's national boundaries as it has in the past, blamed Mao for provoking the incidents. Second, there have been both semiofficial and official contacts between Taipei and Moscow. A highlight of this continuing interchange was the trip, at Soviet initiative, of Soviet "journalist" and KGB agent Victor Louis to Taiwan in October 1968. Subsequently, the newly appointed Nationalist ambassador

-4-

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to the Vatican was instructed by President Chiang to develop a dialogue with Soviet officials in Western Europe. The most recent development in this new relationship was the attendance of an unofficial Nationalist delegation at an international tourism conference in Sophia last May. This was the first Nationalist official visit to a Communist country in 20 years.

8. Chiang evidently hopes that his new line toward the USSR will allow him to take advantage of Moscow's view that Maoist Peking is an irreconcilable enemy of the Soviet state and of the Soviet leadership's apparent willingness to isolate Communist China by any means at its command. There is no evidence, however, that President Chiang conceives of these contacts as insurance against a major erosion of Taiwan's international standing. He does not appear to hold so pessimistic a view of his international prospects that he feels compelled to modify his "one China" position in dealing with Moscow or with other foreign governments. On the contrary, the Nationalists, undoubtedly encouraged by the diplomatic opportunities presented by the intensified Sino-Soviet conflict, see contacts with Moscow primarily as a means of maintaining and furthering Peking's isolation.

9. In this regard, the Nationalists have not been totally disappointed. Soviet diplomats have been dropping hints in various capitals that recognition of Communist China should be deferred, suggesting that while Peking "in principle" should be a member of the UN, the position of the 13 million Chinese on Taiwan should not be overlooked. Most recently the Russians made a direct demarche to the Italian Government in an effort to forestall Italian recognition of Communist China. The Soviets urged that "all states... refrain from any action" that would encourage Peking's "present policies." Although the effectiveness of such Soviet lobbying is highly questionable, Taipei can only be pleased.

The Offshore Islands

10. The policies of the two rival Chinese regimes on the status of the Offshore Islands have been

-5-

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heavily conditioned by the contest over the recognition issue. The Chinese Nationalists have long viewed the political value of the islands as being at least as great as their military role. Possession of these outposts represents a tangible symbol of Taipei's claim to be the legitimate government of all China. The Nationalists have deployed approximately 80,000 of their most combat-ready forces to Quemoy and Matsu. Their adamant refusal in the past to reduce this commitment clearly indicates President Chiang's concern that any sign of retreat from the Offshore Islands would stimulate greater foreign pressure for a complete withdrawal and for a "two Chinas" settlement.

11. Peking's view of the issues at stake has also been heavily colored by "two Chinas" considerations. The Chinese Communists have not mounted any serious military threat against the islands since 1958. This restraint has been motivated in part by uncertainty as to how the US would react to an attempt to seize the islands by force. But another important restraint probably is Peking's recognition that seizure of the islands would not only generate a hostile international reaction but would also greatly increase foreign sentiment for a "two Chinas" solution under international guarantees. Such pressure would run counter to Peking's strategy of playing a waiting game in the belief that the death of Chiang Kai-shek will lead to a rapid decline in the international standing of the Taiwan regime and will open new opportunities for resolving the Taiwan issue on Peking's terms.

Outlook

12. The current moves of several Western nations toward establishing diplomatic relations with Communist China probably will not lead to a major shift in the political strategy of either Taipei or Peking. Communist China has seen no reason to alter its unbending conditions for establishing diplomatic relations--an outlook undoubtedly reinforced by the unsolicited Canadian and Italian initiatives. As long as nations are forced to choose between the government in control of the mainland

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and one that is merely a claimant, the Chinese Communist leadership is confident that firmness on its part will eventually lead to the almost total isolation of the Nationalists. Ottawa, for example, is probably prepared to sacrifice its ties with Taiwan if Peking insists on this as the price for diplomatic relations. At the initial negotiating sessions in Stockholm, the Chinese Communist presentation has consisted of a strong reiteration of the "three constant principles"--an indication that relations with Peking must still be on Communist terms.

13. Taipei, for its part, continues to cling to its basic position on recognition and relations and its formal pretension to be the legitimate government of China. Nationalist Chinese officials have indicated that as soon as Canada establishes diplomatic relations with Communist China, Taipei will sever relations, even foregoing the two-week holding action it undertook in Paris in 1964. Although this threatened response may in part be aimed at stimulating more vigorous US diplomatic action on its behalf, Taiwan appears to believe that at least its short-term interests will be best served by a prompt withdrawal.

14. Over the long term, Taiwan probably faces continuing erosion of its diplomatic position and the prospect of increasing isolation if it maintains opposition to a "two Chinas" arrangement (more accurately one China, one Taiwan). The internal upheavals of the Cultural Revolution and their disastrous impact on Peking's foreign policy and image afforded Taipei a breathing spell. A trend toward political recovery and reconstruction, however, is now emerging on the mainland; Peking is already returning to a more conventional and pragmatic international posture that will increase its appeal and add to Taipei's diplomatic insecurity.

15. The Nationalists' position could also be adversely affected by post-Vietnam developments in Asia that may encourage more non-Communist states to move toward relations with Communist China. Taipei,

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at any rate, is deeply concerned over the implications of current US policies toward Vietnam. Taiwan fears that American disengagement may only be a forerunner of other significant changes in the US policy and priorities in Asia--including eventual modifications in the US posture toward Peking.

16. There are no signs that the Chinese Nationalists are considering any major policy changes designed to avoid this dilemma. As long as President Chiang remains in office, it seems highly unlikely that Taipei will explore some form of a "two Chinas" accommodation, even one that would ensure the existence of the Nationalist regime as an independent and sovereign government of Taiwan and preserve its membership in the United Nations. Chiang evidently does not believe that the abandonment of his claim to represent all of China would be an effective weapon for combating Peking's tactics of forcing non-Communist governments to sever relations with Taiwan as the price for establishing diplomatic relations with the mainland.

17. As long as the China policies of such key nations as the US and Japan remain unchanged, the Nationalists apparently do not fear a dangerous erosion of their international standing in the next several years. Chiang is prepared to continue gambling indefinitely on his ability to block any changes in American and Japanese policies that, in his view, would weaken Taiwan's position. The success of his recent efforts to persuade Washington and Tokyo not to establish diplomatic relations with Mongolia will probably strengthen his reliance on this approach and harden his determination to avoid any hint of wavering or compromise.

-8-

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